

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its South San Francisco District.	Application 03-10-017 (Filed October 1, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Stockton District.	Application 03-10-018 (Filed October 1, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Mid-Peninsula District.	Application 03-10-019 (Filed October 1, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Salinas District.	Application 03-10-020 (Filed October 1, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Bakersfield District.	Application 03-10-021 (Filed October 1, 2003)
Application of California Water Service Company (U 60 W) for an Order Authorizing it to Increase Rates for Water Service in its Salinas District (excluding the service areas of the County Meadows Mutual Water System and the Indian Springs Mutual Water System).	Application 03-10-031 (Filed October 1, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING
FOLLOWING EVIDENTIARY HEARING ON PROPOSED SETTLEMENT**

This matter came before the Commission on April 20, 2004, on the parties' joint motion to approve a proposed settlement, filed on April 19, 2003. Gregory Bowling appeared for California Water Service Company (CWS). Natalie Wales appeared for the Office of Ratepayer Advocates (ORA). Thomas Smegal of CWS

and Ting Yeun of ORA were sworn as witnesses and offered testimony in support of the proposed settlement.

Exhibit Nos. 50 through 65 were marked for identification; offered by CWS; and, upon stipulation, were admitted into evidence. Exhibit Nos. 101-103 were marked for identification; offered by ORA; and, upon stipulation, were admitted into evidence. The proposed settlement is set forth as Exhibit No. 103. A change on page 5 was agreed to by the parties and made on the admitted version of Exhibit No. 103. Upon stipulation, late-filed exhibits may be offered and admitted into evidence on or before May 11, 2004. These late-filed exhibits will be: No. 66, Revised Tables to Settlement; No. 67, Consumer Confidence Report, Bakersfield (2004); and No. 68, Consumer Confidence Report, South San Francisco (2004).

The parties indicated they do not wish to waive the comment period on the proposed decision.

The Administrative Law Judge (ALJ) and the parties discussed the ALJ's interim decision on water quality and the possibility that a separate hearing will be held on the question of whether the Commission should impose sanctions. Bowling questioned whether the question of sanctions could be addressed in a ratesetting case. The ALJ indicated he would wait until the Commission acts on the proposed interim decision, now scheduled for May 27, 2004, and will also research this subject matter jurisdiction question.

Upon submission of the late-filed exhibits, the matter will be submitted on May 11, 2004.

Dated April 27, 2004, at San Francisco, California.

/s/ JOHN E. THORSON

John E. Thorson

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Following Evidentiary Hearing on Proposed Settlement on all parties of record in this proceeding or their attorneys of record. In addition, service was also performed by electronic mail.

Dated April 27, 2004, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.